

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF ARCO PERMIAN, A UNIT OF ATLANTIC
RICHFIELD, FOR HORIZONTAL DRILLING IN THE
EMPIRE-ABO UNIT AREA,
EDDY COUNTY, NEW MEXICO.

CASE NO. 11193

APPLICATION

ARCO PERMIAN, A UNIT OF ATLANTIC RICHFIELD, ("ARCO"), hereby makes application for approval of horizontal drilling in the Abo formation, Empire-Abo Pool, in the Empire Abo Unit, and in support thereof states:

1. ARCO is the operator of the Abo formation, Empire-Abo Pool, underlying its Empire Abo Unit comprised of portions of Townships 17 and 18 South, Ranges 27, 28 and 29 East, N.M.P.M., Eddy County, New Mexico.

2. ARCO seeks authority to re-enter its Empire Abo Unit Well No. K-17 (formerly the Pam American Malco Refinery F No. 1 Well) which is located at a surface location 1980 feet from the South line and 660 feet from the West line of Section 1, Township 18 South, Range 27 East, and using a short radius tool (70 feet radius of turn) kick-off at an approximate depth of 6005 feet and drill in an easterly direction in the Abo formation 1,000 feet of horizontal drainhole.

3. Horizontally drilling within the unit area should result in the recovery of

significant volumes of hydrocarbons which will not otherwise be recovered, thereby preventing waste.

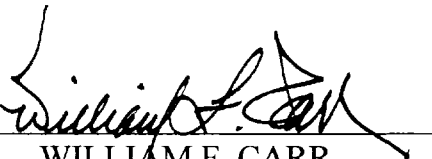
4. The proposed horizontal drainhole will be drilled toward the interior of the Empire Abo Unit Area and therefore will not impair the correlative rights of any operator in the area.

5. Approval of this application will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, ARCO Permian, a Unit of Atlantic Richfield, requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on January 19, 1995, and that, after notice and hearing as required by law, the Division enter its Order granting this application.

Respectfully submitted,

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& SHERIDAN, P.A.

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